

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

\_\_\_\_\_ x

MICHAEL CARBONI

Plaintiff

06 Civ. 15488 (RJH)

-against-

AFFIDAVIT

BOB LAKE , R.J. O'BRIEN, INC.

Defendants

\_\_\_\_\_ x

STATE OF NEW YORK )  
: SS.:  
COUNTY OF NEW YORK )

MICHAEL CARBONI, being duly sworn, deposes and says:

1. I am named as a plaintiff in this action as Michael Carboni. I am the president of COM Trading Inc. I have been employed by COM Trading Inc. at all relevant times.
  
2. I was a floor broker primarily transacting business in the options pits. Order execution in the COMEX / NYMEX pits has not yet as of April 9<sup>th</sup> 2007 been completely integrated into the electronically traded environment.
  
3. Floor business has grown over 80% in options pit traded volume since Bob Lake and RJO attacked and destroyed my reputation and my ability to earn an income in the futures industry both in Chicago and New York. Data regarding Exchange growth and volume increases are referenced in the images below.

# ON COMMERCIAL REAL ESTATE Y's new plan

## 1 plots towers

cial units, 18,277 feet  
commercial space and  
a-car underground ga-

Silverstein spokesman declined to com-

Verstein is applying  
use \$656 million in  
Family Housing  
Bonds from the  
York State Housing  
Agency in return  
ffering 20 percent of  
housing units to  
income families.

daughter, Lisa Sil-  
tein, has been over-  
ing this development  
any years.  
snaking tower with  
on River and city  
was previously  
ed for the most west-  
ortion of the site, but  
opment got held up  
ov. George Pataki,



**SILVER DOLLARS:** Larry Silverstein and his daughter, Lisa, are planning a huge \$917.6 million pair of apartment towers in Midtown.

N.Y. Post/Lois Weiss

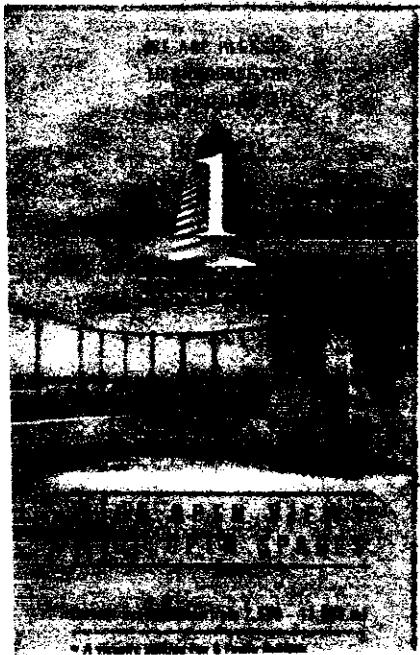
who was leaning on Silver-  
stein to make the land the  
site of an official Javits  
Center hotel.

Condemnation plans for a  
sky bridge over 41st Street  
that was to connect to a  
new hotel to an expanded  
Javits Center had begun but  
weren't finished in part be-

cause the additional expan-  
sion of the convention center  
has run into roadblocks.

Chief among them is fig-  
uring out where to relocate  
an MTA bus garage that  
currently takes up the  
block between 40th and  
41st street.

lais.weiss@nypost.com



## Death Notice

### CREMATION NEPTUNE

#### A For Profit Entity.

America's Cremation Specialists® for over 30 years.

1-800-645-3722

[www.neptunesociety.com](http://www.neptunesociety.com)

MASSAU

(516) 378-5980

NYC

(212) 517-8262

2684 Hartsdale Rd.  
Mahwah, NJ 07448

800-227-2222

Our philosophy -  
Dignity  
Simplicity  
Economy

#### DEATH NOTICE

**MONROE, ORRIN A., 94, of Hastings, on November 5, 2006. Retired Vice-President of Bank of New York. He served in the Marine Corps as a Russian Interpreter/Translator in Ireland. He was a runner-up in the John McCormick Singing Contest. Orrin was a member of Gideons International Ministry. He was noted for his performances in Gilbert and Sullivan musicals. He was captain of his college rugby team and also played tennis at Wimbleton in England. Beloved husband of Rose. Devoted brother of Elizabeth Berwick. Adored uncle of Owen, Brewster, Matthew**

#### Death Notices and In Memoriam Messages

Notices may be submitted via tele-  
phone, fax or email by a Funeral  
Director, Monday thru Friday, 8:30  
A.M. to 4:00 P.M., to appear in the fol-  
lowing day's edition. Sunday and  
Monday notices must be received by

# Macau deal brings Wynn's first profit

Vegas and will expand in  
Macau, where October  
gambling revenue was a re-  
cord \$686 million.

"The real story for Wynn  
is Macau," said Matthew  
Jacob, an analyst at Majes-  
tic Research LLC. "The pie  
is continuing to grow at a  
pretty strong rate."

In March, Wynn announced it was selling a  
subconcession that granted the  
rights to develop a ca-  
sino in Macau for \$900 mil-  
lion. It was bought by a  
partnership of Australian  
casino company Publishing  
& Broadcasting Ltd. and  
Melco International Develop-  
ment Ltd., run by Macau  
developer Lawrence Ho.

Bloomberg

## Nymex Q3 up 82%

Nymex Holdings Inc., owner of the New York Mercantile Exchange, said its third-quarter net profit rose 82 per-  
cent from last year as trading volumes grew.

The exchange, which is preparing to go public, said net  
income was \$40.7 million in the three months to Sept. 30,  
up from \$22.4 million a year earlier. Revenue rose 46 per-  
cent to \$142.4 million.

Average daily volume jumped 42 percent to 1.3 million  
contracts, the exchange said.

AP

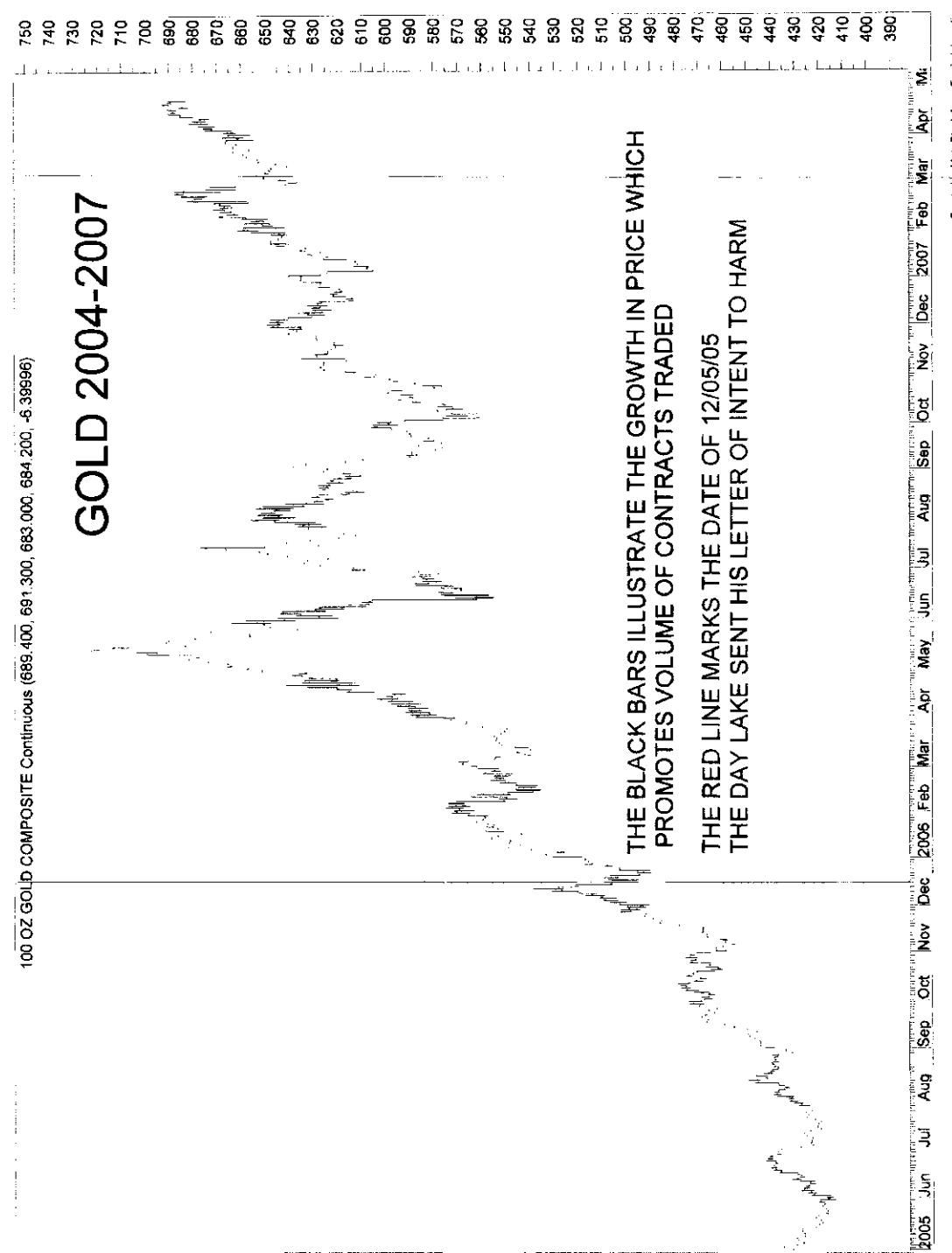
THERE'S NOT ENOUGH  
ART IN OUR SCHOOLS.

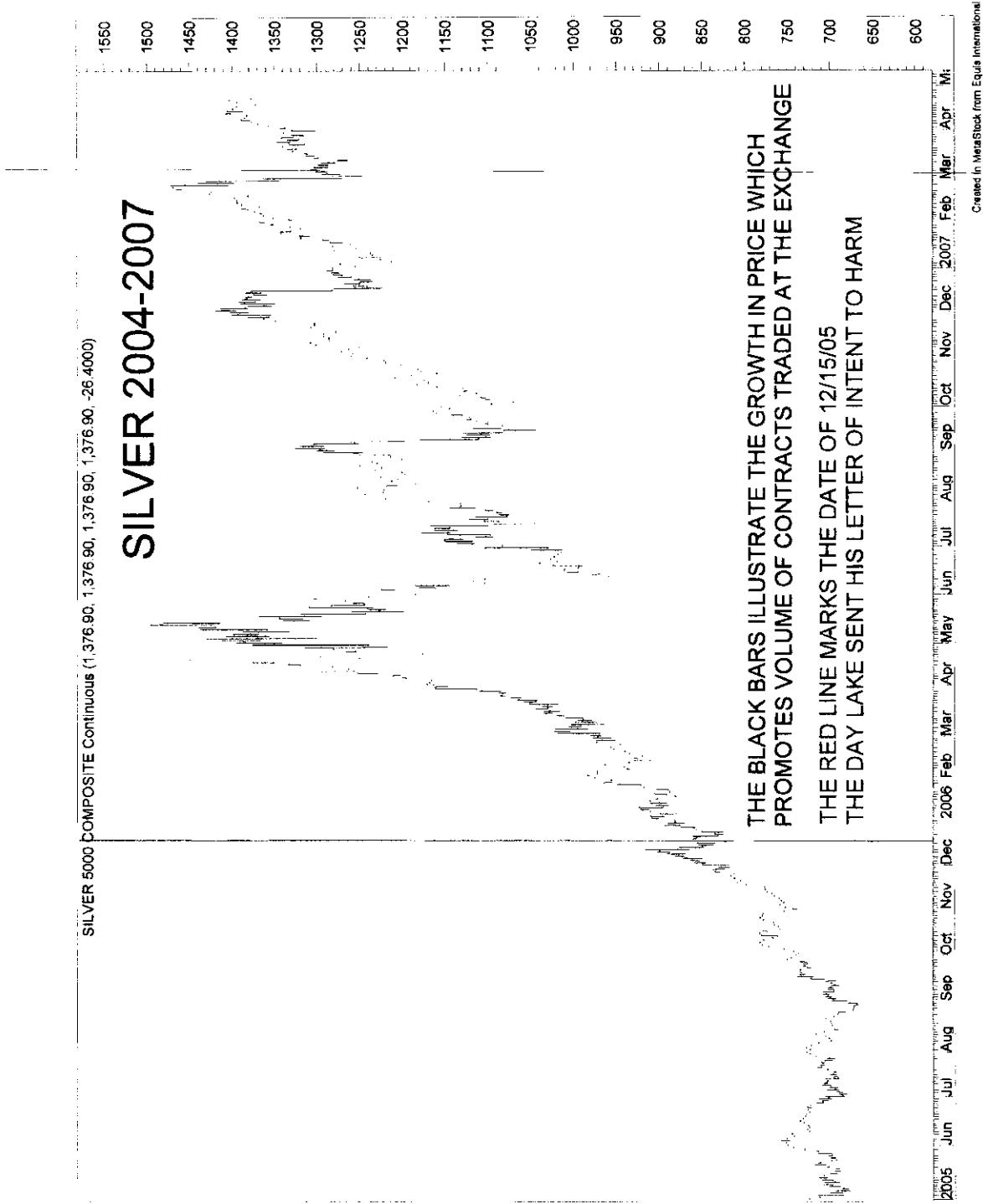
NO WONDER  
PEOPLE THINK  
**CARAVAGGIO**

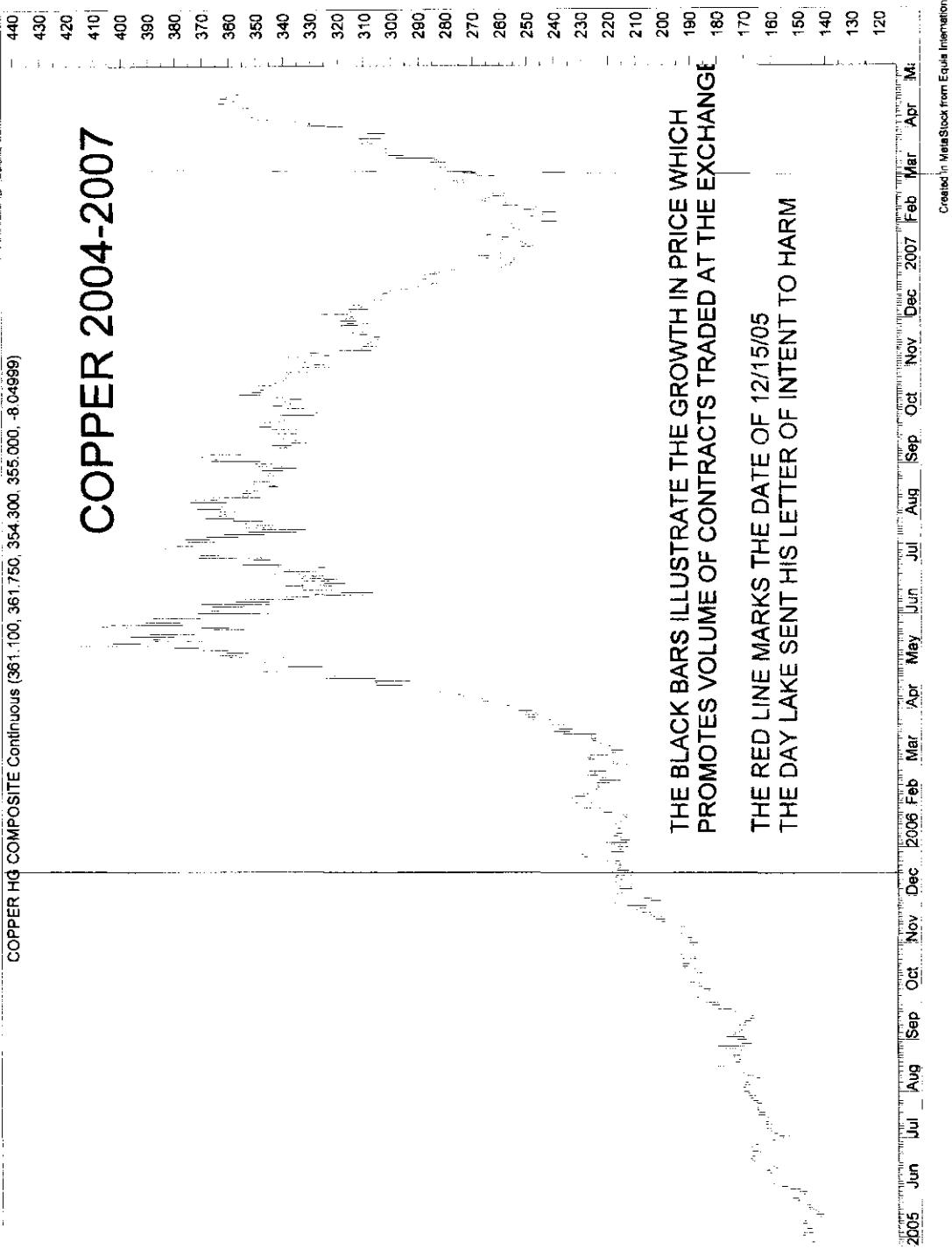
IS A GUY ON  
THE SOPRANOS



ART.  
ASK FOR MORE.







# NYMEX IN IPO PLANS

## Deal may follow

By ZACHERY KOUWE

The New York Mercantile Exchange unveiled plans yesterday to go public—a move that could lay the groundwork for an eventual takeover of the world's largest energy and metals market.

Yesterday, the Nymex, which has been a privately held membership organization for the past 134 years, filed to raise up to \$250 million in an initial public offering. Sources said the IPO will probably hit the market in September.

The move comes only four months after private-equity firm General Atlantic purchased 10 percent of the Nymex for roughly \$170 million.

That investment, which valued the downtown exchange at \$1.7 billion, has already more than doubled in value, and a public offering is likely to give it a further boost.

The IPO could also set the Nymex up for an eventual takeover by the Chicago Mercantile Exchange, the New York Stock Exchange or another market, and may give the Nymex currency to pursue smaller acquisitions overseas, sources said.

"Nymex is one of the few large exchanges that have not been acquired, and this

IPO will allow the public market to value the business," said one Nymex insider. "We're just a cheap buy for these guys with all the money."

Some have also speculated that the all-electronic Intercontinental Exchange, or ICE, which was backed by Goldman Sachs and other investment firms, may try to make a hostile bid for the Nymex once it becomes publicly traded.

In February, ICE introduced trading in the Nymex's benchmark crude oil contract and traded a record 178,900 contracts on July 13 as crude oil prices climbed past \$78 a barrel for the first time.

On the same day, Nymex traded 351,540 contracts.

Sources said the CME, which earlier this year struck a deal that allows the Nymex to trade crude oil on its electronic system, is seen as the natural partner because both exchanges trade a wide array of futures contracts and the top brass at both companies have good relationships, sources said.

A full Nymex membership, which gives the owner 90,000 shares of stock, traded at a record \$5.5 million back in April.

*zachery.kouwe@nypost.com*

## Slumping Outback

## Microsoft targets PC sellers

By JANET WHITMAN

Microsoft is expected to file suit against more than two dozen companies today, accusing them of pirating its products or loading up the computers they sell with unlicensed software.

The technology giant snagged the alleged culprits, which include five New York companies and two in New Jersey, by sending out a swarm of secret shoppers to buy computers.

Microsoft technicians then checked the suspect computers to see if their software was genuine.

Dealers determined to be selling illegal software were delivered

cease-and-desist letters. Microsoft is suing the ones that kept selling the pirated or unlicensed products despite the warnings.

More than 20 percent of all software in the U.S. is pirated, according to the Business Software Alliance.

Microsoft has been stepping up crackdown on software piracy since the spring.

The effort has been fueled by complaints from dealers selling legitimate software and from customers who discovered they'd been duped, Mary Jo Schrade, senior attorney at Microsoft, told The Post.

Besides using secret shoppers, Microsoft also gets tips about unscrupulous sellers.

THE FRANKLIN BUILDING  
120 BROADWAY  
Be a Part of the Legacy

AN EXCEPTIONAL BLDG.  
IN A COVETED LAND.

*Four contiguous floors of history  
in this 40-story historic landmark*

JONES  
Indust.  
Avg. 12,416.60

# BUSINESS

## BUSINESS BRIEFS

### **Putnam fine**

Former Putnam Investments CEO Lawrence Lasser agreed to pay a \$75,000 fine to settle SEC allegations that he oversaw improper payments to brokers.

### **Yahoo! gets**

Yahoo! bought MyBlogLog to add software that enables writers and readers of Web logs to communicate online.

### **Lazard 'buy'**

Lazard Ltd.'s stock gained 6.6 percent to a record after Goldman Sachs analysts raised its rating to "buy" from "neutral," saying they expect it to book more revenue from merger advice.

### **Nymex up**

The New York Mercantile Exchange said trading volume rose 35 percent to a record in 2006. Trading in futures and options reached 276.2 million contracts, up from 204.6 million in 2005. Trading in Nymex's benchmark U.S. crude oil contract jumped 19 percent last year.

### **Drug deal**

Rite Aid shareholders should vote against the company's plan to buy Jean Coutu Group's Eckerd and Brooks drugstore chains for \$2.84 billion, a proxy advisory firm said.

### **M'soft flaws**

Microsoft identified flaws in its Excel spreadsheet program, Outlook e-mail software and Internet Explorer Web browser as "critical," a category for vulnerabilities posing the greatest danger.

### **Pay Gap**

Gap CEO Paul Pressler could take home \$71 million in net profit if the troubled retailer is sold at \$31 a share and he is termi-

# BLACK E-MAIL

## Conrad hit boards to prop up stock

By PAUL THARP

Just weeks from his trial for allegedly looting his media companies, Conrad Black posted anonymously to an investing message board -- but only after scolding an underling who wanted to follow the rules.

The latest in an already long string of accusations of bad acts, federal prosecutors said the toppled titan even berated advisers who tried to stop him from going on the Internet to promote shares in his company, Hollinger International.

Such acts are a violation of securities laws.

The new slam appeared in court documents filed Monday by federal prosecutors who are aiming to lock up Black for his alleged financial crimes. Black goes on trial on March 1 in Chicago.

The filing also disclosed numerous other misdeeds committed by Black, who was ousted from a publishing empire that once spanned two continents, and included the Chicago Sun-Times and The Daily Telegraph in London.

In addition to his alleged plundering of hundreds of millions from Hollinger and its sister companies, Black devised other schemes to siphon cash out of his company for personal use, prosecutors charge.

Black is accused of secretly spending nearly \$9 million of Hollinger's money to acquire presi-

### Web of deceit

Disgraced media baron Conrad Black posted anonymously to an investing message board -- but only after scolding an underling who wanted to follow the rules.

If you must,  
put it on from  
somewhere else  
and sign it  
anonymously...  
Get our story out.  
What you wrote  
is worse than no  
response at all  
and makes us  
seem like jerks.

—CONRAD BLACK, DISGRACED MEDIA BARON, TO AN UNDERLING WHO WANTED TO FOLLOW THE RULES



Black, a former media baron, facing Federal charges in Chicago in 2006.

dential papers and memorabilia of Franklin Roosevelt, and privately stored the treasures in his mansion.

Black also allegedly spent company money on lavish dinners at Le Cirque with his wife, Barbara, pal

Henry Kissinger and Kissinger's wife, Nancy.

Black is also accused of bilking his treasury of \$62,000 to pay for his wife's birthday party at La Grenouille, papers said.

Black's surf-and-pump scam on the Internet came

after an anonymous mailer asked the baron on a Yahoo! board why its stock was so anemic.

According to the indictment, Black believed he was a person



# Quattrone gets 'legit'

By JANET WHITMAN

Frank Quattrone is joining the ranks of Eliot Spitzer.

The bad boy of the Internet bubble who was accused of dole out shares in hot IPOs to favored clients

around since the early 1960s, touted Quattrone's 23 years of experience advising technology companies on raising capital, mergers and acquisitions, and strategy in a press release announcing the luncheon.

The group didn't mention the for-

By *Rebecca Holz*

The number of exchange-traded derivatives contracts that changed hands around the world between January and June of 2006 reached 5.9 billion, an impressive 27% increase over the same period in 2005. At mid-year, global futures volume was soaring, up 33.8% to 2.6 billion contracts, while global options volume increased 22% to 3.3 billion contracts.

Record trading volume at the international exchanges was the driving force behind the overall rise in futures volume. The international futures market saw solid double-digit growth in every sector and triple-digit growth on futures on individual equities. Futures trading volume outside of the U.S. surged 41% over the January-June total in 2005 to 1.6 billion contracts, while international options volume rose 12% to 2.1 billion contracts.

Much of the rapid increase in trading was reported by the younger markets. The fastest growing products were interest rate futures in Mexico, equity index and individual equity futures in India, and agriculture futures in China. Substantial gains were also seen at established markets such as Eurex, where very strong trading in its equity index products

helped the exchange achieve its busiest months ever in May and June.

U.S. derivatives exchanges also reported accelerating volume growth during the first half of the year, particularly on the options side. U.S. options on securities skyrocketed 44.8% over last year's mid-year figure to 1 billion contracts, while options on futures rose 36.4% to 255.2 million contracts. Domestic futures trading rose 23.8%, also reaching just over 1 billion contracts.

Among the U.S. exchanges, the biggest gains were made in the individual equity and equity index sectors. The largest increase in activity in U.S. individual equities took place at the Philadelphia Stock Exchange, while index volume escalated at the Chicago Board Options Exchange and Chicago Mercantile Exchange. On the commodities side, the most startling volume increase was in gold futures trading at the Chicago Board of Trade.

Figures in this article are based on data received from 57 exchanges worldwide. New developments since the beginning of the year include the addition of the Turkish Derivatives Exchange to the list of participating exchanges

and the merger of the Yokohama Commodity Exchange and the Tokyo Grain Exchange in April 2006. The data include derivatives contracts traded over the counter that were converted into futures through clearing facilities such as the New York Mercantile Exchange's Clearport and Euronext.liffe's Belear. The figures also include volume in the Trakrs contracts listed at CME.

#### **Asia: Exchanges See Rapid Growth**

Asia was the world's fastest growing region for derivatives trading. The National Stock Exchange of India doubled its 2005 mid-year volume, recording 101 million traded contracts since the beginning of 2006. Volume at the Dalian Commodity Exchange increased 41.6% to 65.5 million contracts and the Taiwan Futures Exchange was not far behind, up 61% over the same period last year to 63.6 million contracts. In Japan, trading activity surged at exchanges such as the Osaka Securities Exchange and the Tokyo Financial Exchange. Volume at OSF rose 80.1% over last year to 30.6 million contracts and the volume increase at TFX more than quadrupled to reach 16.1 million contracts at the end of June.

#### **Latin America: Mexder Rebounds**

The Mexican Derivatives Exchange is operating at a new capacity. Compared to the mid-year totals from last year, futures trading volume on the exchange more than doubled and options trading volume nearly tripled. After suffering a significant decline last year, the recent relaxation of withholding tax laws has encouraged market participants to shift their interest rate trading from the OTC markets to the exchange. As a result, Mexder's flagship product, THE 28-day interbank rate futures, experienced the largest increase in volume of any futures contract in the world. The interest rate contract, which has a notional value of 100,000 Mexican pesos (approximately \$9,200), traded 143.3 million contracts this year, up 116% over the mid-year period in

##### *In millions of contracts*

Sector	Jan-Jun 2006	Jan-Jun 2005	% Change
Equity Index	2,251.52	1,780.21	26.5%
Interest Rate	1,637.39	1,320.15	24.0%
Individual Equity	1,462.99	1,138.95	28.5%
Agriculture	204.86	163.53	25.3%
Energy	172.16	131.19	31.2%
Foreign Currency	115.64	74.63	55.0%
Non-Precious Metals	57.60	47.71	20.7%
Precious Metals	40.63	23.77	70.9%
Other	0.88	0.76	15.5%
Total	<b>5,943.66</b>	<b>4,680.89</b>	<b>27.0%</b>

Outside of the U.S., the Dow Jones Euro Stoxx 50 index products traded at Eurex fared extremely well. Euro Stoxx 50 futures grew 48.9% to 175.8 million contracts, while options on the index rose 59.1% to 122.4 million contracts. Taiex index options, the star of the Taiwan Futures Exchange, rose 29.9% to 81.7 million contracts, and the National Stock Exchange of India's S&P CNX Nifty Index surged 68.5% to 59.8 million contracts, making it the most actively traded equity index futures contract in Asia.

Single stock products also did well in the U.S. and Europe. In the U.S., four out of the five options exchanges reported double-digit increases in volume. The Philadelphia Stock Exchange led the way with an 80.2% increase in single stock options volume to 209.8 million contracts. In Europe, Eurex beat out Euronext.liffe as the largest marketplace for single stock options. Total volume in this category at the German-Swiss exchange reached 235.6 million contracts, versus 134 million at Euronext.liffe's Amsterdam, Brussels, London and Paris markets combined.

The most rapid increases in volume, however, were seen on the futures side. Eurex launched its single stock futures just one year ago and with 31.2 million contracts traded since January, it has become the sector's second most active marketplace, trailing only the 80.5 million contracts traded at India's NSE. Triple-digit growth also was seen on both the South African JSE Securities Exchange and Euronext.liffe. In the latter case, more than half of the single stock futures contracts came into the exchange through its Belear facility, meaning that the transactions actually took place over the counter.

Turning to interest rate products, growth in the government bond sector was especially strong in two-year products. Euro-Schatz futures were the highlight of the interest rate complex at Eurex, with volume up 20.2% to 139.6 million contracts. The CBOT's two-year Treasury note grew more rapidly but from a lower base, with volume jumping 77.2% to 30.3 million contracts.

In the short-term interest rate sector, Euronext.liffe's Euribor and short sterling futures contracts were up 23.3% and 24.3%, respectively. CME's Eurodollar futures remained the world's most actively traded futures contract, with volume up 20.1% to 418.2 million. Options on Eurodollar futures grew 45.3% to reach 233.2 million contracts, making it not only the world's most active interest rate option but also the CME's second largest product.

The trading of foreign currency futures and options—the smallest of the financial sectors—grew 47.5% over last year. The sector's most active product was BM&F's U.S. dollar futures, which saw volume soar 61.1% to 43.8 million contracts. At CME, Euro FX futures, the exchange's most active forex contract, grew 15% to reach 32.7 million contracts. Volume in CME's Japanese Yen and British Pound futures grew 59.8% and 93.3%, respectively.

### Commodities: Metals Volumes Soar

The trading of precious metals futures and options jumped 77.7% over last year, making it the fastest growing sector in the listed derivatives markets. Tocom's gold futures contract

*In millions of contracts\**

Contract	Jan-Oct 2006	Jan-Oct 2005	% Change
Kospi 200 Index Options, KRX	2,073.41	2,127.98	-2.6%
Eurodollar Futures, CME	418.19	348.20	20.1%
Euro-Bund Futures, Eurex	272.16	254.10	7.1%
THE 28-Day Interbank Rate Futures, Mexder	246.09	85.30	188.5%
Eurodollar Options, CME	233.24	160.52	45.3%
E-mini S&P 500 Index Futures, CME	214.55	174.50	22.9%
10-Year T-Note Futures, CBOT	209.09	181.27	15.3%
DJ Euro Stoxx 50 Index Futures, Eurex	175.82	118.10	48.9%
Euribor Futures, Euronext.liffe	169.85	137.79	23.3%
Euro-Bobl Futures, Eurex	143.01	131.01	9.2%
Euro-Schatz Futures, Eurex	139.64	116.15	20.2%
One-Day Interbank Deposit Futures, BM&F	132.25	94.40	40.1%
DJ Euro Stoxx 50 Index Options, Eurex	122.35	76.89	59.1%
5 Year T-Note Futures, CBOT	103.16	102.89	0.3%
S&P 500 Index Options, CBOT	85.69	58.45	46.6%
Taiex Index Options, Taiex	81.73	62.92	29.9%
30-Year T-Bond Futures, CBOT	77.95	73.72	5.7%
Sterling Futures, Euronext.liffe	70.47	56.70	24.3%
E-mini Nasdaq 100 Index Futures, CME	67.91	62.16	9.3%
TA-25 Index Options, TASE	63.38	50.14	26.4%

\*Excludes contracts based on individual equities

months ending in October, an increase of 167% on the previous year.

In Europe, volume at Eurex rose 23% to 1.3 billion, driven mainly by greater trading of its equity products. In fact, equity products accounted for slightly more than half of the exchange's total volume during the 10-month period, outstripping the exchange's flagship interest rate complex for the first time.

Euronext.liffe, the region's second largest derivatives exchange, was one of the few that reported an overall decline in volume in the 10-month period ending in October. While four of the five constituent exchanges reported solid gains, volume on its Paris market plummeted from 220.5 million to 74.8 million contracts. This decline, however, was a result of changes to the notional size of its American-style individual equity options and CAC 40 index options. After adjusting the figures to account for the changes, Euronext.liffe reported an exchange-wide increase in volume of 22%, in line with the robust growth seen in the rest of the industry.

Turning to Asia, all of the Japanese commodity exchanges saw a decrease in trading activity this year except the Tokyo Commodity Exchange, which was boosted by solid gains in its precious metals and rubber contracts. On the financial front, the Tokyo Financial Exchange's volume more than tripled to 29.2 million contracts after a change in Japan's monetary policy caused an upsurge in the trading of its Euroyen interest rate futures and options.

The National Stock Exchange of India jumped 55.9% to 159.7 million contracts, driven mainly by continued rapid growth in the trading of stock index and single stock futures. The Dalian Commodity Exchange, China's largest derivatives exchange, grew 15.1% to 88.7 million contracts, with a sharp rise in the trading of corn futures more than offsetting a collapse in the trading of soybean futures. The Shanghai Futures Exchange's volume rose 76.3% to 47.4 million contracts, with large gains in its aluminum, fuel oil and rubber contracts more than offsetting a sharp decline in copper futures trading.

Elsewhere among the emerging markets, the Mexican Derivatives Exchange stands out for its phenomenal growth rate. Since the relaxation of a withholding tax in October

2005 and the implementation of several regulatory reforms, trading of its short-term interest rate contracts has soared. January-October volume in its TIE contract soared 188.5% to 246.1 million contracts, making it the third most actively traded futures contract in the world after CME's Eurodollar and Eurex' Euro-Bund contracts.

Volume at Bolsa de Mercadorias & Futuros, Latin America's second largest futures exchange, grew 46.1% to 231 million contracts. The exchange's flagship product, one-day interbank interest rate futures, increased 40.1% to 132.3 million contracts.

### Sector Breakdown:

#### **Equity Outpaces Interest Rate**

Aside from the Kospi index options, equity index products were very popular this year, with volume of equity index futures and options ex-Kospi rising 35.4% worldwide. In the U.S., the trading of equity index products rose to 696.2 million contracts in the 10 months ending in October, an increase of almost 40% over the year-ago period. Leading the way were CME's E-mini S&P 500 futures, up 22.9% to 214.6 million contracts, and the Chicago Board Options Exchange's S&P 500 options, up 46.6% to 85.7 million contracts.

#### *Futures, options on futures, and options on securities, in millions of contracts*

Exchange	Jan-Oct 2006	Jan-Oct 2005	% Change
Korea Exchange	2,124.77	2,176.30	-2.4%
Eurex	1,291.51	1,048.43	23.2%
Chicago Mercantile Exchange	1,170.18	888.14	31.8%
Chicago Board of Trade	666.94	572.70	16.5%
Euronext.liffe *	618.54	648.99	-4.7%
Chicago Board Options Exchange	561.94	384.61	46.1%
International Securities Exchange	496.08	367.84	34.9%
Mexican Derivatives Exchange	255.99	92.62	176.4%
Bovespa	237.49	233.03	1.9%
New York Mercantile Exchange	232.42	170.25	36.5%
Bolsa de Mercadorias & Futuros	231.01	158.17	46.1%
Philadelphia Stock Exchange	216.64	121.69	78.0%
American Stock Exchange	163.58	170.49	-4.1%
National Stock Exchange of India	159.69	102.41	55.9%
Pacific Exchange	154.10	109.41	40.9%
OMX Exchanges	105.14	84.54	24.4%
Taiwan Futures Exchange	96.51	73.32	31.6%
Dalian Commodity Exchange	88.66	77.03	15.1%
Boston Options Exchange	80.31	63.60	26.3%
JSE Securities Exchange South Africa	79.19	40.07	97.6%

\* Not adjusted for changes in contract size.

By Rebecca Holz

Volume data for the first 10 months of 2006 show that the trading of listed derivatives continued to increase at a very healthy rate, driven by rapid growth in emerging markets in Asia and Latin America as well as in the mature markets of Europe and North America.

From the beginning of 2006 to the end of October, a total of 9.9 billion futures and options contracts were traded on derivatives exchanges worldwide, an increase of 20.4% over the same period in 2005. That was exactly double the rate of growth seen in the first 10 months of 2005 versus 2004.

Futures volume was up 33.1% over the 10-month period to 4.3 billion contracts. The main reasons for the increase were the strong growth of interest rate futures trading in Mexico, the conversion of several commodity futures markets to electronic trading, and continued growth in some of the flagship contracts in Europe and North America.

In contrast, options volume rose just 12.1% to 5.6 billion contracts, with growth in most parts of the world offset by lower activity in the Korea Exchange's Kospi 200 index option. This enormously active contract alone accounts for

over 37% of all options traded worldwide, and fluctuations of just one or two percentage points in its volume have a large impact on the growth rate of the overall market.

Total Kospi options volume for the year to October reached 2.1 billion contracts, down 2.6% on the year-ago period. Global options trading excluding the Kospi contract was up 23% over the January-to-October period of last year, and global volume for both futures and options, again excluding the Kospi contract, was up 28.4%.

Within the U.S., futures volume rose 24.3% to 1.69 billion contracts in the 10 months ending in October. Trading of options on securities rose 37.4% to 1.67 billion contracts, and the trading of options on futures rose 36.9% to 430.5 million contracts. Interest rate futures continued to dominate the domestic futures market in terms of volume, with 856.7 million contracts traded, an increase of 16.3% over last year. The fastest growing sector was options on equity index futures, which increased 89.9% over 2005's 10-month mark.

Outside of the U.S., trading on futures exchanges continued to skyrocket. Volume rose 39.4% to 2.7 billion futures contracts in

the first 10 months of the year, with double-digit growth in every sector. Trading of single stock futures was especially active; nearly 221 million contracts changed hands in the year to October, more than either the agriculture or energy sectors. On the other hand, activity on options exchanges outside of the U.S. was flat, mainly due to the Kospi effect.

The figures in this article are based on data received from 58 exchanges worldwide. Developments of the past year include two new additions to the list of participating exchanges—the Multi Commodity Exchange of India and the Turkish Derivatives Exchange—and the merger of the Yokohama Commodity Exchange and the Tokyo Grain Exchange in April 2006. The figures include derivatives contracts traded over the counter that were converted into futures through clearing facilities such as the New York Mercantile Exchange's Clearport and Euronext.liffe's BeClear. The figures also include the Trakrs contracts listed at CME.

## Regional Breakdown

Chicago Mercantile Exchange, the third most active derivatives exchange in the world, continued to grow at an exceptionally rapid rate given its size and the maturity of its contracts. Total volume was 1.2 billion contracts, an increase of 31.8% over the January-October period of 2005.

The Chicago Board of Trade's total volume reached 666.9 million, up 16.5% on the year-ago period. On a combined basis, the two exchanges would have ranked as the world's second largest derivatives exchange with a total of 1.8 billion contracts, not far short of the Korea Exchange's 2.1 billion.

The New York Mercantile Exchange finished the 10-month period up 36.5% over last year at 232.4 million contracts. A large part of this growth came from the clearing of contracts traded off the exchange through its Clearport OTC clearing facility. A total of 61.7 million OTC derivatives—roughly equivalent to 26% of the exchange's total volume—were cleared through this facility in the 10

### *In millions of contracts*

Sector	Jan-Oct 2006	Jan-Oct 2005	% Change
Equity Index	3,764.71	3,377.06	11.5%
Interest Rate	2,708.64	2,129.98	27.2%
Individual Equity	2,380.84	1,945.94	22.3%
Agriculture	349.12	275.07	26.9%
Energy	321.85	234.15	37.5%
Foreign Currency	195.12	132.24	47.5%
Non-Precious Metals	97.34	80.77	20.5%
Precious Metals	84.72	47.68	77.7%
Other	1.59	1.39	14.0%
<b>Total</b>	<b>9,903.92</b>	<b>8,224.29</b>	<b>20.4%</b>

10 Futures Industry

# 266,610

## Contracts Traded

in their minimum tick sizes. Now that the locals have been taken out of the equation of exchange decision-making, all major stakeholders—traders, hedgers, exchange shareholders, and brokers—would stand to gain enormously from such reductions. It would be a win/win/win situation.

### **It's a Derivatives World**

Looking over the FIA's volume statistics, which are collected from approximately 60 exchanges, it is impressive to see how diverse this industry is. Every year it seems like another exchange from a previously unnoticed local market blasts its way up the volume ranking. This year's hottest market has to be the Mexican Derivatives Exchange, which has struck gold with its short-term interest rate contract, the TIE 28 futures. Farther down the ranks, South Africa's JSE Securities Exchange more than doubled its volume in a single year, which moved it from the 24th to the 19th largest derivatives exchange in the world.

Some of these markets may turn out to be one-hit wonders, but on the whole the exchange landscape is much more diverse than just a few years ago, and too big to view from a single vantage point. There is certainly some correlation within categories. For example, we saw a big jump in the trading of equity index derivatives in lots of different markets during the broad stock market sell-off last May and June. But the factors driving volume in one category don't necessarily carry over to another category, and even more so when you factor in geography. To put it another way, we are still looking at a collection of many separate markets, each with their own set of factors affecting volume.

Take for example the equity index business. The growth rate for this category was 9%, which makes it seem like it is lagging the rest of market. But if you break down that number, you find some wildly different trends. First and foremost, volume in the

Kospi 200 option was down 5% year-over-year. The Kospi option is the single most heavily traded derivative at any exchange in the world, so even though the decline was not a big deal in percentage terms, the absolute impact flattened the entire category.

### **Global Futures Volume**

(*In millions*)

	2006	2005	Change	% Change
U.S. Futures	2,043.90	1,652.87	391.03	23.66%
Non-U.S. Futures	3,235.74	2,381.88	853.86	35.85%
<b>Futures Volume</b>	<b>5,279.64</b>	<b>4,034.75</b>	<b>1,244.89</b>	<b>30.85%</b>

### **Global Options Volume**

(*Includes options on futures, individual equities and indices*)

	2006	2005	Change	% Change
U.S. Options	2,529.36	1,872.28	657.08	35.10%
Non-U.S. Options	4,050.26	4,066.79	-16.53	-0.41%
<b>Options Volume</b>	<b>6,579.62</b>	<b>5,939.07</b>	<b>640.55</b>	<b>10.79%</b>

### **Global Futures and Options Volume**

	2006	2005	Change	% Change
Equity Indices	4,453.95	4,080.33	373.62	9.16%
Interest Rates	3,193.44	2,536.77	656.67	25.89%
Individual Equities	2,876.49	2,356.87	519.62	22.05%
Currency	240.05	167.19	72.87	43.59%
Agriculturals	486.37	378.90	107.62	28.37%
Energies	385.97	280.13	105.83	37.78%
Metals	218.68	171.06	47.63	27.84%
Other	4.31	2.59	1.72	66.69%
<b>Total</b>	<b>11,859.27</b>	<b>9,973.82</b>	<b>1,885.44</b>	<b>18.90%</b>

### The Emails

4. Bob Lake sent this letter of his intent to "bury this guy and making sure no one will trade with him" referring to Michael Carboni, to high level executives in the futures industry, to both NYMEX members and non-NYMEX members.

*From: Bob Lake [mailto:[blake@rjobrien.com](mailto:blake@rjobrien.com)]  
Sent: Tuesday, December 13 2005 9:47am  
To: barry isaacson; [ira@iepstein.com](mailto:ira@iepstein.com)  
Cc: [chuckb@iepstein.com](mailto:chuckb@iepstein.com); Oscar futures@yahoo.com; Gary Weber,  
Lenny Sowa  
Subject: RE: RJO O'Brien*

*Gentlemen,*

*I hope you will excuse the vulgarity that follows. This error was not RJO's error it was the pit brokers clerk that forgot to book the order. In any event they made the customer whole(not an RJO customer) I do not do business with scumbags that try to generate business off other peoples perceived misfortune. This little prick can twist in the wind before he touches one piece of RJO paper. I am now in the process of burying this guy in the pit and on Comex in general, lets see how good the fills are when no one will trade with him*

*Bob Lake*

5. In the futures industry in general I've enjoyed solid relationships with many trading institutions and individual customers throughout the trading community with strongest ties in Chicago and New York. I am an accomplished technical analyst having studied the Comex/Nymex markets intensely for many years. My work led me to believe a very huge shift in the pricing of precious metals was about to begin. With that in mind I began focusing on expanding my options and futures execution business on the Comex/Nymex trading floors during 2005.

6. Up until the time of Bob Lake's campaign against me, I was servicing the Comex metals accounts, options and futures for the entire Comex quadrant for Cadent Financial as well as the Linn Group out of Chicago as expressed in the following emails below:

*Subject: IB Direct is to be routed this way too*

*Date: Mon, 24 Oct 2005 17:16:35 -0500*

*From: "Paul Fry" <Paul.Fry@Cadentfinancial.com>* [View Contact Details](#) [Add Mobile Alert](#)  
*Jason.Arnold@ranincusa.com, "Kurt Lightcap" <Kurt.Lightcap@Cadentfinancial.com>, "Thomas*  
*Konopiots" <Tom.Konopiots@Cadentfinancial.com>, "Ryman Flippen"*  
*To: <Ryman.Flippen@Cadentfinancial.com>, "Stacy Lightcap" <Stacy.Lightcap@Cadentfinancial.com>,*  
*"Wilson Gambrel" <Wilson.Gambrel@Cadentfinancial.com>, "Linas A. Jucas"*  
*<Linas.Jucas@Cadentfinancial.com>, Todd.Backes@ranincusa.com, oscarfutures@yahoo.com,*  
*ranorder\_help@ranincusa.com*

**Please facilitate our Comex Gold, Silver and Copper Futures and Options placed via Ranorder to go to Oscar Carboni's execution group beginning Tuesday Morning 10/25/05.**

Thanks,  
Paul Fry  
Senior Vice President, Risk Management  
Cadent Financial Services LLC.  
Phone 312-384-1117

Yahoo! Mail - oscarfutures@yahoo.com

<http://us.f546.mail.yahoo.com/ym>ShowLetter?box=Sent&MsgId=76...>



[Print](#) - [Close Window](#)

**Date:** Sun, 30 Jan 2005 18:14:48 -0800 (PST)  
**From:** "Oscar Carboni" <[oscarfutures@yahoo.com](mailto:oscarfutures@yahoo.com)>  
**Subject:** A note from Oscar  
**To:** "gordy linn" <[gdk@linngroup.com](mailto:gdk@linngroup.com)>

Dear Gordy,

I just wanted to express my gratitude for offering your floor business to me. You will not be disappointed. I will give commentary in a professional manner. I would like to do a practice run tomorrow morning if that's ok with you. If all goes well I will begin commentary Monday afternoon, Tuesday morning at the latest. If this is not in accordance with your plans please let me know.

Also, are you interested in doing the clearing for a non-clearing FCM? Please let me know your thoughts on this subject.

You wanted a little blurb about my past history...A little about myself...

*I have been a technical/fundamental analyst of the futures markets since 1983.  
I studied under John Murphy (founder of Murphy-Morris). He was my professor at the New York Institute of Finance.  
I have been a commodities broker trading for myself as well as executing customer orders since 1987.  
I am a member of COMEX as well as a member of the Russell Indexes on the NYBOT exchange.  
I have owned and operated an introducing brokerage firm, Futures Analysts & Traders, inc since 1994.  
I have no regulatory problems with the NFA nor have I ever even had as much as a warning in my 23 year career.  
I am an accomplished trader of many, many futures/commodities markets for my own account.  
I also have acted in the capacity of CTA with a winning real-time track record.  
I have customers all over the world and I am an accomplished world traveler. I get along quite well with European and Middle Eastern & Asian customers. (if you ever are in need of a liaison)*

...I can't really think of anything else that might be pertinent to this business venture. If you need any other information please do not hesitate to call.

FLOOR 1-212-590-1557  
CELL 1-917-804-0969  
EVES 1-718-667-1120

Wishing you all the best,

Oscar Carboni

Do you Yahoo?  
Yahoo! Mail - now with 250MB free storage. [Learn more.](#)

7.. Cadent financial being satisfied with my service began to execute all of their New York business through my company Com Trading Inc. This was to include the huge Nymex Energies complex account as well as the New York Board of Trade Softs Commodities complex. Below are a few lines of Instant Messages showing a viable relationship exists.

*cmbunch2000 (12/2/2005 9:59:17 AM): we aren't paying 1.5 as far as i know  
Oscar Carboni (12/2/2005 9:59:37 AM): yes thats what hits on my run each day  
cmbunch2000 (12/2/2005 9:59:38 AM): we can talk about that oscar-you're doing an excellent job  
Oscar Carboni (12/2/2005 9:59:43 AM): ty  
Oscar Carboni (12/2/2005 10:00:01 AM): I have to pay my floor traders to execute so my end is not all that much  
Oscar Carboni (12/2/2005 10:00:16 AM): Can we put this conversation to bed today?  
Oscar Carboni (12/2/2005 10:00:35 AM): I would appreciate it as it is only the 2nd of the month*

---

*Oscar Carboni (11/23/2005 9:54:44 AM): do u still wish for me to place the nybot and nymex business?  
cmbunch2000 (11/23/2005 10:16:24 AM): yes-absolutely if you can-i've just been too busy to get you volume  
Oscar Carboni (11/23/2005 10:17:36 AM): i really cant without knowing the volume. It also needs to be relatively accurate volume so I dont make false statements  
cmbunch2000 (11/23/2005 10:20:21 AM): i know  
cmbunch2000 (11/23/2005 11:31:53 AM): csce 238 tickets last month, 13400 contract  
cmbunch2000 (11/23/2005 11:32:01 AM): 1300 not 13400  
cmbunch2000 (11/23/2005 11:32:13 AM): nyce 88 tickets 200 rt's  
cmbunch2000 (11/23/2005 11:32:37 AM): nymex 1702 tickets 16000 contracts  
cmbunch2000 (11/23/2005 11:32:45 AM): there you go  
cmbunch2000 (11/23/2005 11:32:59 AM): these will*

8. I had enjoyed the same relationship with the Bill Peters Group out of Chicago as well as other clients during 2005 that began routing their Comex order flow to my trading desk stationed in the Comex/Nymex pits.

9. As time passed during 2005, the Linn Group was so satisfied with my personal service that they wrote Ira Epstein, Principal of Independent Brokerage Firm Ira Epstein and Co., and referred my commodity services. The corresponding email is referenced below.

*Ira Epstein <ira@iepstein.com>* wrote:  
Sent to all just now.

**From:** Oscar Carboni [mailto:[oscarfutures@yahoo.com](mailto:oscarfutures@yahoo.com)]  
**Sent:** Monday, October 03, 2005 4:31 PM  
**To:** Ira Epstein  
**Subject:** Re: Comex issues

Ira,

It looks great. The email addresses enclosed need to receive this letter. That should be all that is necessary. Thanks again for your assistance.

Best of luck,

Oscar Carboni  
President

*Ira Epstein <ira@iepstein.com>* wrote:  
Dear gentlemen,

This email is to request that all of my Comex business generated from the Ira Epstein company via Tops to be directed to Mr. Oscar Carboni on the Comex trading floor. I have known Mr. Carboni for the better part of 20 years and would like to be able to have him execute my Comex business. Please make the necessary program changes to make this possible. I request that this is done as soon as possible. Please do not hesitate to contact me if you have any questions or concerns regarding this request.

Sincerely,  
Ira Epstein  
President Ira Epstein Futures

10. I have known Ira Epstein personally for over 20 years. I regularly visited him in Chicago throughout my career. In spring of 2005 Ira Epstein and company began negotiating with his co-clearing members ATC Alaron Trading Inc. and Man Financial Corp. with the intent to transfer his entire Comex floor business over to my trading operation, COM Trading Inc. Negotiations went well with Man Financial and Alaron Trading Inc. and they began setting up the necessary equipment, quote screens and "Topps" electronic order routing systems at my Comex options booth on the exchange. In and around November 05, 2005, phone order flow from Ira Epstein had already begun coming to me at my booth.

11. Coincidentally, in mid October 2005 after weeks of planning and setting up operations to handle Ira Epstein's order flow via Man Financial, futures merchant Refco, LLC abruptly went out of business. Shortly after Refco's collapse, Man Financial purchased what was left of the failing Refco LLC. For reasons I could only speculate, this development prompted Alaron Trading (Ira Epstein's futures commission merchant) to shift their business away from Man Financial and move it to the clearing services of R.J.O.

12. In order for me to secure Ira Epstein's business, as per his direct request, I had to repeat the same order routing/permission process which went well with Alaron Trading and Man Financial, only this time negotiations were with RJO. In this new scenario permission was required from Bob Lake to route the Ira Epstein business to me at COM Trading Inc. The order routing machinery was already in place in my booth. It had previously been tested and ready to accept Ira's business.
13. From the start, subsequent to Ira Epstein's request that I exclusively execute his trades, Bob Lake began harassing me about leaving my hands off the Epstein/Alaron account.
14. When Bob Lake's attempts failed, his attitude on the trading floor became increasingly more hostile toward me. On or about December 5<sup>th</sup>, 2005, Lake's attempts to have me turn away the Ira Epstein/Alaron account were unsuccessful, Lake offered a solution. He stated that there would be an "RJO accommodation fee" of .35 (thirty five cents) per contract due monthly in cash if I wanted his cooperation in routing Ira's business to my operation.
15. I refused his demands, explaining to Lake that Ira Epstein was a long-time friend and we were already months into setting up the execution services before RJO had ever become a part of this business deal (a fact that lake was very well aware of). Lake replied that I should leave my hands off that business or else he would end my career in the futures industry.
16. As Lake refers to in his affidavit paragraph 13, on December 12, 2005, there had been a serious error on the Comex trading floor. Word of mouth on the exchange had been that the pit broker had a \$390,000.00 trading error while filling RJO's orders. The broker allegedly responsible for this error is well known in the floor community as the RJO silver paper broker.
17. On the day of this \$390,000.00 error I stuck my head into the Silver ring to inquire about the situation. By that point, the entire Nymex/Comex complex was buzzing about a \$390,000.00 error in the Silver pit reportedly committed by this RJO broker. Several brokers told me that RJO's broker (while gesturing over to the RJO silver paper broker) had a massive error today. The story as it was told to me by a few different brokers was that RJO's broker forgot to book a 600 lot order and the market moved into the filling price of that order and then proceeded to head back up to a higher level rendering a 600 lot buy order unable and unfilled. This in essence was the situation that I alerted my business associate Ira Epstein about. Copy of the exact message can be referenced below.

Date: Tue, 13 Dec 2005 06:26:36 -0800 (PST)

From: "Oscar Carboni" <oscarfutures@yahoo.com> [View Contact Details](#) [Add Mobile Alert](#)

Subject: Oscar/RJO

To: "Ira Epstein" <ira@iepstein.com>

Ira,

*Yesterday in the Silver futures RJO is so buried with paper they forgot, that's right forgot to execute buying 600 march silver @ 877.00. It cost them 390,000.00*

*Please be careful using them for executions as they are way to busy to handle the paper load and continue to pick up old refco business as of this writing. I hope we can get our business completed this week and get you away from that atmosphere*

*I will contact Bob Lake today. Ill keep you informed.*

Oscar Carboni

President C.O.M. Trading Inc.

18. Ira Epstein was the only person that I sent this email to. There was no attempt whatsoever on my behalf to harm, hurt, insult, defame, wish bad intent on Lake, RJO or RJO's pit broker or try to generate business off of other people's perceived misfortunes. I was simply exercising due diligence in alerting my customer (not to mention a 20 plus year friend) of a situation that could impact his business. At this point in time with the information being released as it was, we were all uncertain as to which of the RJO Pit Broker's customers was involved in this error. It could have easily been one of Ira's orders. And even if it wasn't, given the chaotic environment the collapse of Refco created in the pits, it could have very well been Ira Epstein's order in the days following as I continued to be frozen out of the order handling as a part of Lake's and RJO's extortion scheme – in direct defiance of Epstein's repeated requests for Com Trading Inc. to be his exclusive order handler:

From: "Ira Epstein" <ira@iepstein.com>

To:

Subject: Comex issues

Date: Mon, 3 Oct 2005 16:23:28 -0500

Dear gentlemen,

This email is to request that all of my Comex business generated from the Ira Epstein company via Tops to be directed to Mr. Oscar Carboni on the Comex trading floor. I have known Mr. Carboni for the better part of 20 years and would like to be able to have him execute my Comex business. Please make the necessary program changes to make this possible. I request that this is done as soon as possible. Please do not hesitate to contact me if you have any questions or concerns regarding this request.

Sincerely,  
Ira Epstein  
President Ira Epstein Futures

19. During the time period December 1<sup>st</sup> through the 15<sup>th</sup>, 2005, RJO was one of the busiest floor operations in the futures industry. They were being in floor terms "shelled" or inundated with business crossing over to RJO from the Refco LLC fallout. It was no industry secret that the amount of business RJO inherited from the Refco default was at the least very taxing on the brokers executing the RJO business. With regards to Com Trading Inc covering some of RJO's Ira Epstein flow, there should have been no logical reason for RJO not to fulfill Ira Epstein's request to have Com Trading Inc. handle Ira's accounts. The email string presented below presents an example of one of many strategically placed hurdles designed to block Oscar Carboni from Ira Epstein's business:

From: "Ira Epstein" <ira@iepstein.com>  
To: "Oscar Carboni" <oscarfutures@yahoo.com>  
CC: "Bob Lake" <blake@rjobrien.com>  
Subject: RE: FW: RJO O'Brien  
Date: Thu, 8 Dec 2005 11:12:48 -0600

Bob, below is Oscar's response to your concerns, which I appreciate you bringing up. If you see anything wrong at this point, I would like to know.

---

**From:** Oscar Carboni [mailto:[oscarfutures@yahoo.com](mailto:oscarfutures@yahoo.com)]  
**Sent:** Thursday, December 08, 2005 10:40 AM  
**To:** Ira Epstein  
**Subject:** Re: FW: RJO O'Brien

Ira,

*My DR (disaster relief) protocol is about the same as RJO. I've checked this out with RJO already. I have an additional printer terminal sitting here with nothing to do but wait for a disaster. What ever line goes down can immediately be rerouted to the spare terminal. This is something that Robert @ tops can do in literally seconds. Second line of defense is to have the orders called into the individual booth(s) if a total tops failure occurred. This parallels the same protocol as RJO follows.*

*This is merely the political wall I've been telling you about. I was astounded at the harshness of Barry's first reply to you. This is not the proper way to service a large customer like Ira Epstein & co.*

*From what I've been told earlier today RJO will do what ever you ask. Maybe I cool down day is in order. We can pick this up again tomorrow morning if that is acceptable to you.*

*Your friend,*

*Oscar Carboni*

*President C.O.M.Trading Inc*

**Ira Epstein <ira@iepstein.com>** wrote:  
Oscar, how do we address this issue?

**From:** Bob Lake [mailto:[blake@rjobrien.com](mailto:blake@rjobrien.com)]  
**Sent:** Wednesday, December 07, 2005 4:06 PM  
**To:** Barry Isaacson; Ira Epstein  
**Subject:** RE: RJO O'Brien

*If I may put my 2 cents in, what DR plans does Oscar have if the line goes down or if there is a paper jam or if the shit hits the fan and Ira you are entering a ton of orders (a nice problem to have). I've been doing this a long time and this is a problem waiting to happen, regardless of Oscar's assurances. Having said that, Barry I'll do whatever you need me to do.*

*Bob*

20. In Bob Lake's affidavit, paragraph 15, he states "Carboni's email disparaged RJO's ability to conduct business on the Exchange and falsely claimed that RJO had mishandled a transaction on the Exchange." That was simply not the case. As stated previously I only sent my letter to one person, Ira Epstein. Ira himself in an email below states that I was not the only person to report this matter to Ira. The following was Ira's immediate reply to Lake's threatening email:

-----Original Message-----

**From:** Ira Epstein [mailto:[ira@iepstein.com](mailto:ira@iepstein.com)]  
**Sent:** Tuesday, December 13, 2005 11:23 AM  
**To:** Bob Lake  
**Subject:** RE: RJO O'Brien

Bob, I believe this was never meant as anything bad. Quite the opposite.

As you know I was with Man Financial for over a decade. They had monster issues. It happens. With Man there were times when I did not get fills for over a week in metals. Sugar once ended up 3 weeks. They made good on everything. I had my hands full, but as you will discover, I am a true team player and stand behind my clearing firm and their affiliates. Check my reputation out. You will find what I say is true.

On ATC's move to RJO we missed fill reports for several days. I did not cause an uproar, never said anything derogatory and understood that changes create issues. That's how the business works. That is part and parcel to our business.

The good news is that it was not an RJO issue. Had it been, I still would have understood. I have personally known the O'Briens my whole trading life. I worked for them 20 some odd years ago. Good people.

When ATC told me that they were moving their business to O'Brien, I applauded the move. Given what will eventually happen with Refco and Man, I applaud it even more.

I am certain Oscar did not do this in a harmful way. That is not the man's character. He heard of the error and reported it to me. That simple. If his facts were wrong, we've both seen that before. After 35-years in the business, I've seen enough to say that "we've all been there and done that". Life is too short to spend time on things like this.

Let's move forward.

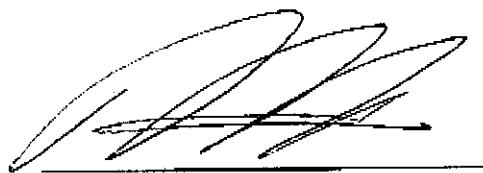
From: "Ira Epstein" <ira@iepstein.com>  
 To: "Oscar Carboni" <oscarfutures@yahoo.com>  
 Subject: RE: RJO O'Brien  
 Date: Tue, 13 Dec 2005 18:32:31 -0600

Oscar, I never sent this on in any spirit except as an alert to ATC. Barry, instead of reading this in the spirit I sent it, created an issue I never intended.

ATC is having RJO issues. Not terrible ones, but definite issues on fill reports and the like. I don't spread rumors.

You weren't the only one to report the issue. Today the Tokyo Stock Exchange lost \$300 Million on an error. The point is that things happen. Read my earlier e-mail to Bob. He wrote me back and said....

21. Lake and RJO seized this emotionally charged time on the trading floor to falsely accuse me and to advance their intentions to block me from Ira Epstein's business and to "bury me and make sure no one will ever trade with me again". The enormous influence over the trading community which Lake enjoys due to his position with RJO made it very easy for him to effectively blacklist me.
22. The opportunity to be a Comex/Nymex broker with a fairly large customer base in a market that is beginning to explode can never again be obtained by me. Bob Lake and RJO's influence over the industry was clearly demonstrated by the devastating effect their words had on my reputation in the industry. Within only a couple of days of Lake and RJO's email they achieved the result of burying me and making sure nobody will trade with me again.
23. If this case goes to the NYMEX arbitration board, we can expect the deciding body to be entirely influenced by Lake's very powerful presence on the exchange floor. RJO is very influential in the futures industry world-wide but have the strongest ties in Chicago and New York.
24. Since December 15, 2005 when Lake disparaged me and made sure no one would trade with me I have not been able to get back into this business. The futures markets I had a business in has since made historic record increases in both price and volume from Dec 2005 until present as previously illustrated.



Michael Carboni

Sworn to before me this  
27<sup>th</sup> of April 2007



Herman Wun  
Notary Public, State of NY  
No: 02WU6143479  
Commission exp. 04-10-2010